NWT HOUSING CORPORATION

1. Department Overview

Mission

The Northwest Territories Housing Corporation (NWTHC) provides access to adequate, suitable and affordable housing. Through the provision of housing programs and services, the NWTHC contributes to the health and education of NWT residents and to the development of sustainable, vibrant and safe communities.

Goals

1. Increase the supply of adequate, suitable and affordable housing in communities to address the housing needs of NWT residents.

2. Acquire and plan for sufficient land for the purpose of providing affordable housing.

3. Provide homeownership and rental programs and services that are effective and appropriate.

4. Enhance the long term sustainability and energy efficiency of housing in the NWT.

5. Promote personal responsibility and accountability for housing through community based training and support.

Operating Environment

Overall Housing Conditions

There are approximately 14,500 households in the Northwest Territories. About 75.8% of these households are in six market communities (Yellowknife, Inuvik, Hay River, Fort Smith, Fort Simpson and Norman Wells) and the remaining 24.2% dwellings are spread across 27 smaller non-market communities. There are considerable differences in housing conditions and in other demographic, social and economic indicators between the market and non-market communities.

Most of the indicators below are from the 2009 NWT Community Survey. Housing results from the 2011 Census are expected to be released later in 2012. The next NWT Community Survey is planned for 2014 and it is expected that recent investments may have improved some of the indicators since 2009.

Selected Indicators of Housing, by Market Type

	Market Communities	Non-Market Communities
Households	11,002	3,519
Public Housing	8.8%	36.4%
Market Rental	37.6%	14.7%
Homeownership	53.6%	48.9%
Housing Problem	24.2%	54.8%
Adequacy (Quality)	8.6%	40.3%
Suitability (Crowding)	4.5%	17.3%
Affordability (Cost)	13.9%	14.2%
Population Change (Census 1996-2011)	5.9%	-1.0%
Average Household Income	$123,420	$68,524
Employment Rate (Pop. 15 & Over)	76%	42%

Other Operational Pressures

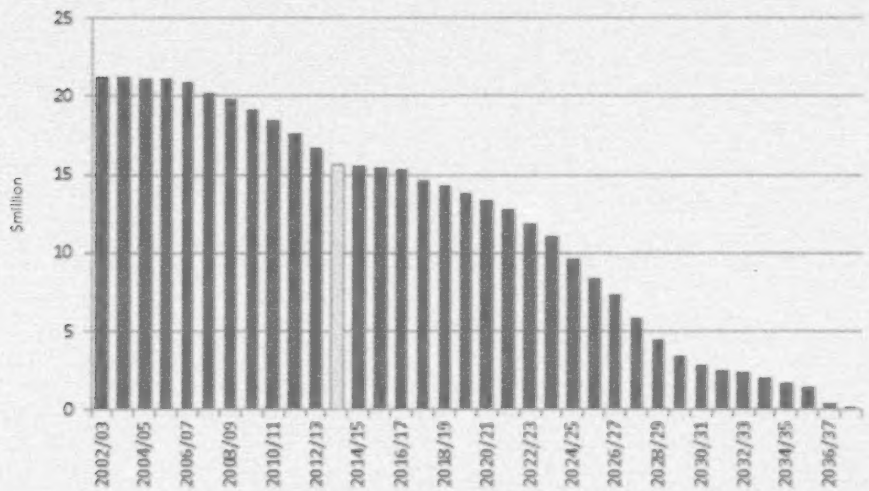
There are a number of other operational issues that continue to put pressure on the operations of the NWT Housing Corporation. These pressures will need to continue to be managed and addressed.

A significant pressure relates to continued increases for utility prices. For fuel oil, average consumption declined somewhat over the past few years while prices have continued to increase. Utilities are a significant portion of the operating costs related to public housing and price increases in this area significantly impacts the NWTHC. The expected increase in electricity prices and volatility in oil prices are on-going pressures for NWTHC operations.

In addition to on-going utility price pressures, the Inuvik and Norman Wells gas supply issues will impact operating costs for the NWTHC. A switch to oil burning equipment in NWTHC assets in Norman Wells is likely to require significant investment and residents in private dwellings may need support. The conversion of public housing to synthetic natural gas in Inuvik will also impact operating costs.

A second area of pressure is the continuing decline in federal funding through CMHC for the operating public housing. Overall, the decline will be from $17.6 million in 2011-12 to zero by 2038-39. The funding declines by different amounts on an annual basis depending on when the stock was initially constructed by the federal government. Over the life of the 17th Legislative Assembly the federal funding will decline by $2.2 million.

Declining CMHC Funding for Operating Social Housing
2002-03 to 2037-38



There are many elements of *Building for the Future*, the NWTHC strategic plan, that are designed to alleviate the impact of the declining funding. The effect of these efforts may take some time and continuing to advance federal-provincial-territorial work on the sustainability of social housing and the challenge created by the declining federal funding as co-chair of the FPT Housing Forum holds the greatest promise in the near-term.

Key Activity 1 – Executive Offices

Description

The Executive Offices provides overall leadership and management of the NWTHC, support the Minister Responsible for the NWT Housing Corporation, and coordination of the implementation of direction of the government related to housing. The Executive Offices also are responsible for strategic planning, policy development, communications, inter-departmental coordination and inter-governmental activities related to housing.

The President's Office is responsible for supporting the Minister Responsible for the NWT Housing Corporation, coordinating the development and implementation of government direction related to housing, leading the senior management of the NWT Housing Corporation, and providing overall management and leadership of the NWT Housing Corporation.

The Strategic Planning, Policy and Communications Division provide support with regard to long-term strategic direction and planning for the NWTHC. This Division is also responsible for strategic and business planning, policy development, qualitative and quantitative research, and corporate communications. This section represents the NWTHC on a Federal/Provincial/Territorial (F/P/T) level, on interdepartmental working groups, and on other committees.

Initiatives

During 2013-14, the Executive Offices will continue to provide overall leadership and management of the NWTHC and undertake the required policy, communication and strategic planning activities in support of the operations of the NWTHC. Key initiatives will continue to be advanced during 2013-14, with a particular focus on the strategic priorities and actions outlined in *Building for the Future*, the strategic plan of the NWT Housing Corporation.

The Minister Responsible for the NWT Housing Corporation is also the Minister Responsible for Homelessness. To support this role a Homelessness Coordinator has been established during 2012-13. This position, currently in the recruitment process, will provide a focal point within the GNWT on homelessness initiatives. The NWTHC is currently administering two programs in support of homelessness. The Homelessness Assistance Fund provides assistance to individuals to help resolve their homelessness situation or travel assistance to return to their home community. Through to the end of July, 2012 a total of 12 clients have accessed the fund with program spending of approximately $27,000. A call for proposals has been made for the Small Community Homelessness Fund, which supports projects in smaller NWT communities including food banks and emergency shelters.

Once recruited, the Homelessness Coordinator will administer these funds and represent the GNWT in activities to coordinate homelessness activities with community groups and other levels of government. A review of the current programs and working with smaller NWT communities on homelessness activities will be key activities later in 2012-13. The NWTHC will continue to advance its involvement in Betty House, which is a transitional housing project for women and children in Yellowknife, building on the commitments outlined in the MOU signed in early 2012.

Another key area for the Executive Offices will be the continued involvement in the federal-provincial-territorial housing forum. The Minister Responsible for the NWTHC has assumed the Co-Chair role with the federal Minister and there are a number of support committees. This role will be critical to advancing

the work on the sustainability of social housing and the challenge created by the declining federal funding. Funding is provided by other provinces and territories to support coordination of the FPT activities.

Initial planning work is currently being undertaken in advance of the 2014 NWT Community Survey. This survey provides detailed information on housing need in NWT communities and is one of the primary sources for providing monitoring indicators on housing and factors the impact housing. Field operations for the 2014 NWT Community Survey will take place in late 2013-14.

A considerable amount of work has been undertaken to continue to implement and advance the strategic priorities and actions described in *Building for the Future*. A joint project has been undertaken with the Department of Health and Social Services to expand the supported living facilities and services in non-market communities. Four facilities are being planned that will provide independent living options for seniors and will provide space for day programming and support services for seniors delivered by Health and Social Services.

Significant work has been undertaken to support the strategic action of expanding housing options in non-market communities related to housing available for staff that deliver critical community services. Additional units are being planned that will expand the rental portfolio of the NWTHC. Communities where there have been challenges in recruiting GWNT staff will be targeted, but these units will be available for rent by staff of other organizations like community or Aboriginal governments. Adjustments are also being made to the Housing for Staff program to support partnerships with developers that want to develop rental properties in non-market communities.

Planning work has been completed on a pilot program that would allow clients to work off a portion of their arrears. The expectation is that the approach will be piloted in late 2012-13 or early in 2013-14.

KEY ACTIVITY 2 – FINANCE AND INFRASTRUCTURE SERVICES

Description

The Finance and Infrastructure Services Branch is comprised of the Finance and Administration Division; Infrastructures Services Division, Financial Planning Section and Information Services Section. Through these units, the branch manages and administers the NWTHC's financial services, capital planning, land acquisition and planning, information services, asset management and infrastructure delivery.

The Finance and Administration Division is responsible for the overall financial affairs of the NWTHC. This includes the provision of accounting services, reporting and monitoring, treasury services, mortgage administration, and providing advice to senior management and stakeholders.

The Finance & Administration Division also manages the NWTHC's own source revenues and funding from CMHC under the Social Housing Agreement. The Division also provides ongoing subsidy assistance and operational support to various third-party non-profit housing organizations outside of the public housing program.

The Financial Planning Section is responsible for the coordination of the development of plans for capital infrastructure and minor capital projects, corporate budget development, project and budget change management and variance analysis.

The Information Services Section utilizes the latest in information management tools and methodologies to support the business processes of the Corporation and its community partners. The section develops NWTHC-specific information tools as well as system training, which are critical to the delivery of housing programming.

The Infrastructure Services Division is responsible for the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWTHC's rental and homeownership programs. This Division is also responsible for the planning, procurement, and administration of suitable land for the delivery of housing programs and services, and the security of NWTHC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWTHC's public housing portfolio in order to ensure its long term sustainability. The Division provides technical assistance in the development of new housing programs and supports the District Offices in their delivery of the Contributing Assistance for Repairs and Enhancements (CARE) program where it works with private homeowners to determine their repair needs and develop scopes of work. Finally, Infrastructure Services is the NWTHC's lead on issues related to energy efficiency and new housing technologies.

Performance Measures

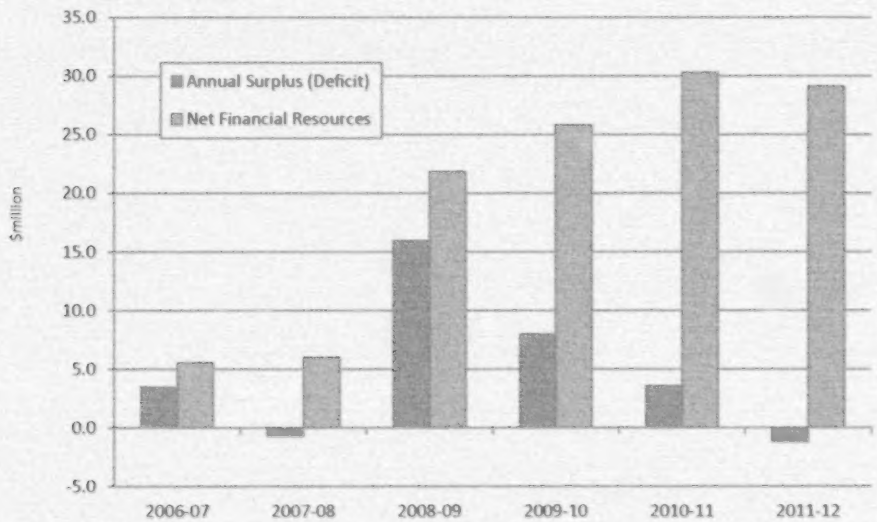
Measure 1 – Financial Health of the NWT Housing Corporation

As a crown corporation, the NWTHC operates under Section IX of the *Financial Administration Act*. The consolidated financial statements of the NWTHC are audited by the Office of the Auditor General of Canada (OAG). Significant effort is required by NWTHC staff to meet the needs of the OAG during the annual audit process.

Overall the NWTHC is in a strong financial position. Annual surpluses in recent years and careful cash management have led to accumulated financial resources totaling approximately $29 million at the end of 2011-12. A significant portion of these accumulated resources are related to carry over and deferred capital projects. As these projects are completed and this financial reserve is drawn down over the next few years it is expected that the NWTHC will run an annual deficit.

While the audit for 2011-12 is just being finalized, preliminary estimates indicate a deficit for the NWTHC of approximately $1.2 million.

NWTHC Financial Position
2006-07 to 2011-12



*2011-12 is preliminary

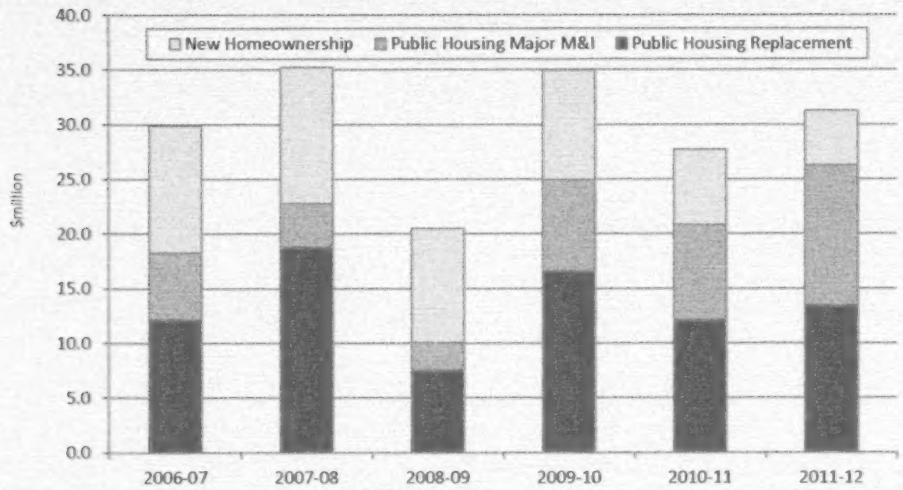
Measure 2 – Delivery of Major Infrastructure

The NWTHC major capital spending is allocated between public housing replacement and retrofits and construction of new homeownership units. In addition to major capital spending, the NWTHC also undertakes a significant number of projects related to homeownership repair programs and minor repairs to rental units.

Between 2006-07 and 2011-12 a total of $179.6 million has been invested in major infrastructure spending. This has included $80.7 million in public housing replacement, $42.5 million in major retrofits to existing public housing and $56.4 million for construction of new homeownership units.

In 2012-13, the initial capital plan was for $13.2 million and another $8.9 million is expected to be added to that for carry-over and deferred projects.

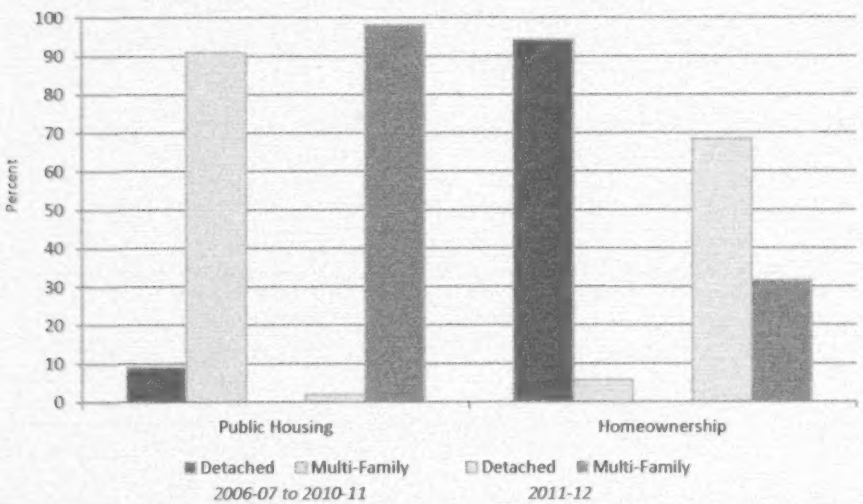
Major Infrastructure Spending
2006-07 to 2011-12



Measure 3 – New Housing Projects by Dwelling Type

A priority of the 17th Legislative Assembly related to improving housing conditions is to develop more multi-family units.

New Housing Construction, by Type
2006-07 to 2011-12



This direction is consistent with the approach that has been utilized over the past several years by the NWTHC. For public housing, multi-family units have comprised 92% of the units constructed between 2006-07 and 2011-12. For homeownership, single detached units continue to be the preference.

Initiatives

As noted, Finance and Infrastructure Services provides the NWTHC with overall financial management, information systems development and support, and with design, procurement, and technical support related to infrastructure development.

Information on the investment activity of the NWTHC is required in the Corporate Business Plan to comply with Subsection 91(2) of the Financial Administration Act. The NWTHC is restricted to those types of investments specified in Subsection 81(1) of the Financial Administration Act, which states:

A public agency may invest money belonging to the public agency:

a) In certificates of deposit, deposit receipts, notes or other evidences of indebtedness given by a bank in consideration of deposits made with the bank; and
b) In securities where repayment principal and interest is unconditionally guaranteed by a bank;

Investments are determined through cash management procedures ensuring surplus funds are invested in those forms of security which pay the highest level of interest while maintaining an adequate level of cash on hand to meet daily requirements. Surplus funds for 2011-12 were invested in short and long-term investments. Short term investments had a market yield of 1.16% to 1.60%. Longer term investments had a weighted average yield of 2.17%.

Considerable work has been undertaken to improve the timeliness of the audited consolidated financial statements for the NWTHC over the past couple of years. A key piece of this effort has been to support Local Housing Organizations (LHOs) in completing their annual audits. Improving financial management by the LHOs continues to be a focus with a number of deficit recovery plans with LHOs being completed and increased support being added by the NWTHC in collection activities.

An initiative that has been started in 2012-13 that will carry into 2013-14 is expanding the use of bulk procurement among LHOs. It is expected that by pooling the purchasing power across LHOs and the NWTHC that some savings can be achieved. Initial work has started to examine specific materials that could be included in this initiative. Work is being done with LHOs to ensure that the approach does not negatively impact their operations while still achieving the expected results.

As noted in the measures, there have been improved financial results for the LHOs in 2011-12. Further support for LHOs to continue to improve these results is planned. Regular meetings with LHOs are expected to review past operations and results, to assess current year operations, and to work on continued improvements in the delivery of housing services is the focus of these meetings. Current indicators based on the information systems, annual audits, and capital plans will all form part of the basis of discussions with the LHOs.

Community governments are also critical partners of the NWTHC with responsibility for land development. Without an adequate supply of developed lots it isn't possible for additional housing infrastructure to be developed. However given the role of the NWTHC in housing development in many non-market communities, it is also a challenge for communities to invest in additional lot development without a sense of future demand. During 2012-13 additional attention is being paid to working with communities to share information on future capital plans and expected longer-term housing need. This will allow the communities to share plans with the NWTHC on land development activities.

Energy efficiency within homeownership units and the public housing units is an on-going priority of the NWTHC. The planned monitoring project is nearing completion related to the Northern Sustainable Housing Project that was completed in Inuvik as a partnership between the NWTHC and CMHC. This

duplex incorporated a number of energy efficient technologies into the design including solar photo voltaic panels; solar hot water supply; double wall construction; SIP panel floor system; high efficiency heating appliances; and heat recovery ventilation systems.

A number of other energy efficiency projects have been completed by the NWTHC over the past several years, along with capital investments in our public housing stock, which have contributed to the reduction in heating fuel within the public housing portfolio. The NWTHC is working closely with the GNWT Energy Coordinating Committee on an updated GNWT Energy Plan.

Infrastructure Services continue to play an important role in changes to homeownership programs. In 2012-13 a project to incorporate resident input into design options related to homeownership units is scheduled to take place. This project will bring together residents with technical staff to consider options for homeownership designs within the context of cost and feasibility. As part of the changes in homeownership programs, detailed in the Programs and District Operations key activity, the NWTHC will move to provide residents greater input into their home design. A catalogue will be developed during 2013-14 that will outline the base unit and potential options for residents planning to obtain a new unit.

The information systems of the NWTHC continue to play a critical role in the administration and management of housing programs. The Territorial Housing System was introduced in early 2012-13. Training and support for LHOs and NWTHC staff was undertaken and implementation has proceeded smoothly. The new system is providing for real-time monitoring of rent assessment and collection rates; application, wait time and eviction processes; arrears and re-payment plans.

Development work is taking place in 2012-13 for the replacement of the Maintenance Management Operating System (MMOS) which is part of the Maintenance Management Program of the NWTHC to track the maintenance activities for its assets. The NWTHC and the LHOs use MMOS to monitor demand and preventative maintenance activities, maintenance scheduling, stock inventories, budget performance, and other asset maintenance activities. A business case analysis has been developed and decisions regarding the new software are expected in the coming months. For 2013-14, implementation activities including user training will be a critical activity.

Finally, the NWTHC has undertaken successful projects in the past to use capital projects as education and training opportunities. Expanding this activity and ensuring that this is a consistent part of the capital delivery program is identified as a strategic action in Building for the Future. Projects are being identified for 2012-13 to build on past success in this area and this activity will carry on into 2013-14. These initiatives require significant involvement of the community and other organizations.

Key Activity 3 – Programs and District Operations

Description

Programs and District Operations provide corporate support and oversight to the NWTHC's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring, and delivery of programs and initiatives that optimize the NWTHC's responsiveness to housing needs in the NWT, and to ensure a continuity of approach to program delivery and implementation.

The Programs Division works closely with district and community housing providers, Local Housing Organizations (LHOs), to ensure compliance with existing policies and procedures, as well as developing and updating operational policies while ensuring that District Offices and LHOs have the support and capacity required to effectively deliver the NWTHC's programs and services.

NWTHC District Offices support communities in program and service delivery. District Offices are responsible for the administration of district capital activities and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, and training, and work closely with stakeholders at the community level. District Offices work with LHOs and NWT residents to identify options and programming to assist individuals in decision making regarding their housing needs. An important component of the relationship between districts and clients are the services related to mortgage advice and counseling, as well as services provided to clients under the Homeownership Entry Level Program (HELP) designed to prepare them for future homeownership.

Performance Measures

Measure 1 – Delivery of Homeownership Programs

In 2007-08, *Housing Choices* was introduced. This suite of programs included a number of supports for homeowners. CARE, is the primary repair program with two components, major repairs and preventative maintenance.

Number of Clients, by Program
2007-08 to 2012-13

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13*
CARE - MAJOR	61	70	262	103	103	111
CARE - PM	157	163	205	106	85	121
CMHC Repair	53	69	110	86	121	57
HELP	25	49	22	30	44	15
PATH	9	2	10	11	15	10

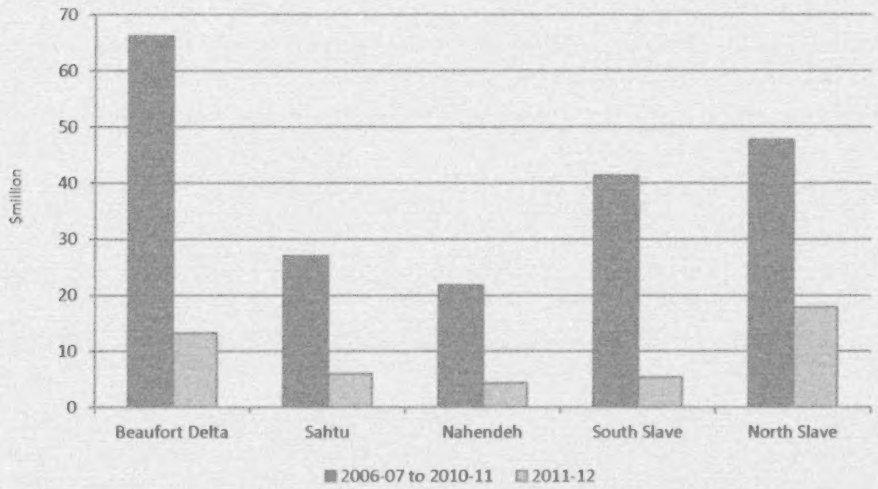
* Clients of SAFE, the new NWTHC repair program and the CMHC emergency repair program are not included in the 2012-13 values as these programs have continuous intake.

HELP provides support to residents hoping to transition from the rental market to homeownership and PATH is the primary support program for homeownership. There are a number of CMHC programs that are also delivered.

Measure 2 – Management of Capital Projects

In addition to delivery of the programs identified above, the Programs and District Operations Branch works closely with other areas of the NWTHC to deliver projects. These projects often include working with clients, contracting and inspections. These projects include construction on new homeownership units, units for the HELP program, public housing replacements, major retrofits to public housing units, and major homeownership repair projects delivered under the CARE program.

Overall Value of Program Delivery, by District
2006-07 to 2011-12

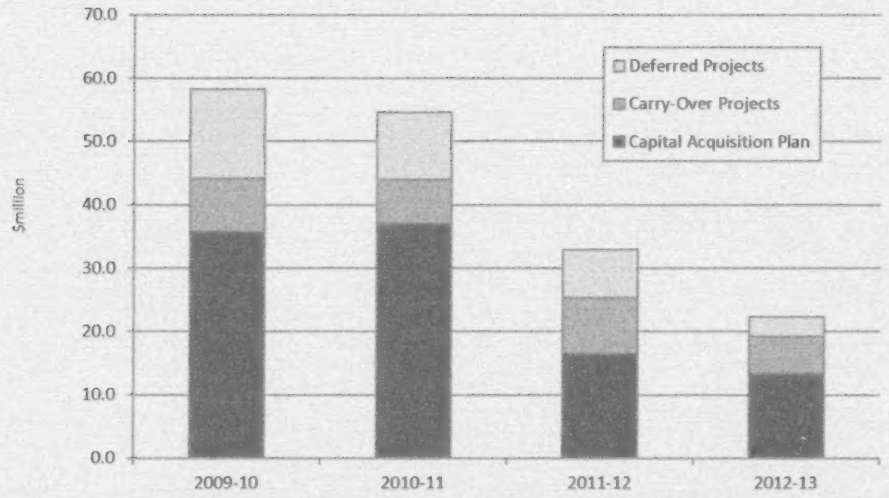


Over the past six years approximately $251 million has been spent on capital projects by the NWTHC. The figure above provides an overview of this spending by district, with the total spent between 2006-07 and the 2011-12 expenditures. The mix of projects by district is driven by the overall capital acquisition plan and program uptake. The delivery of these projects is a major driver of the workload in district offices.

In terms of the components of the capital acquisition plan, each year the plan is developed based on community input, information from previous needs surveys, and information on community housing assets. However, the overall capital delivery in each fiscal year is comprised of the year's capital acquisition plan, carry-overs from previous years, and projects that were deferred from previous years. Carry-overs are projects that are started in one year, but are not completed until the subsequent year. Deferred projects are projects that were planned but have yet to be started. This could be caused by factors such as unforeseen circumstances related to the project, delays in land acquisition, contractor availability, or project planning delays.

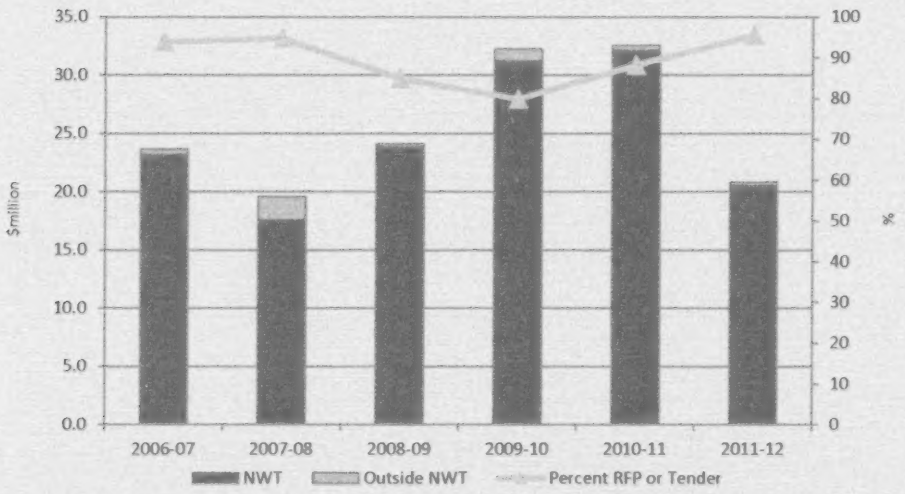
In addition to the major capital projects, program spending for homeownership repairs and minor repairs to rental NWTHC properties also contribute to the total value.

Total Capital Acquisition Plan, by Source
2009-10 to 2012-13



The NWTHC recognizes the importance of its program delivery to the local business community. Over the past five fiscal years, some 97% of contracts were awarded to NWT businesses. Some 89% of the contract values were awarded through competitive processes like requests for proposals or tenders. The remaining were negotiated contracts or sole source contracts.

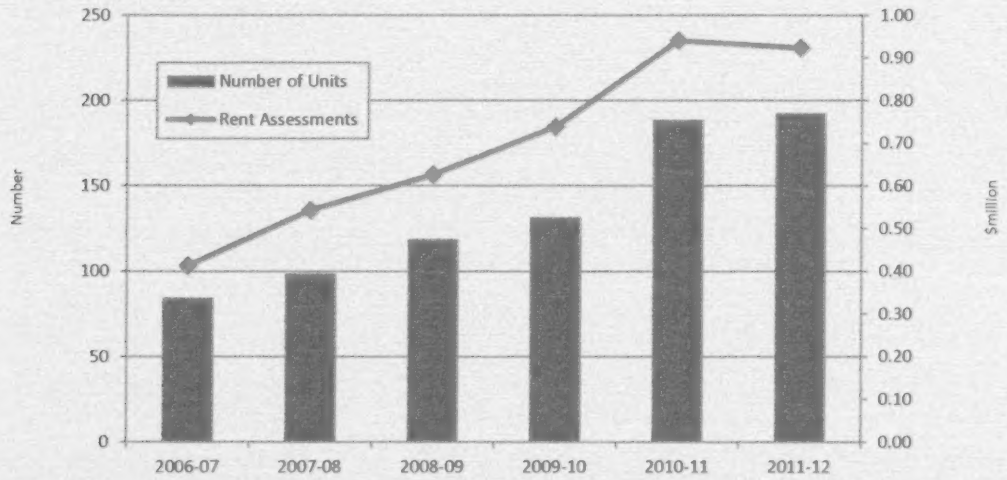
NWTHC Contracting, by Location of Firm and Contracting Process
2006-07 to 2011-12



Measure 3 – HELP and Market Housing Management

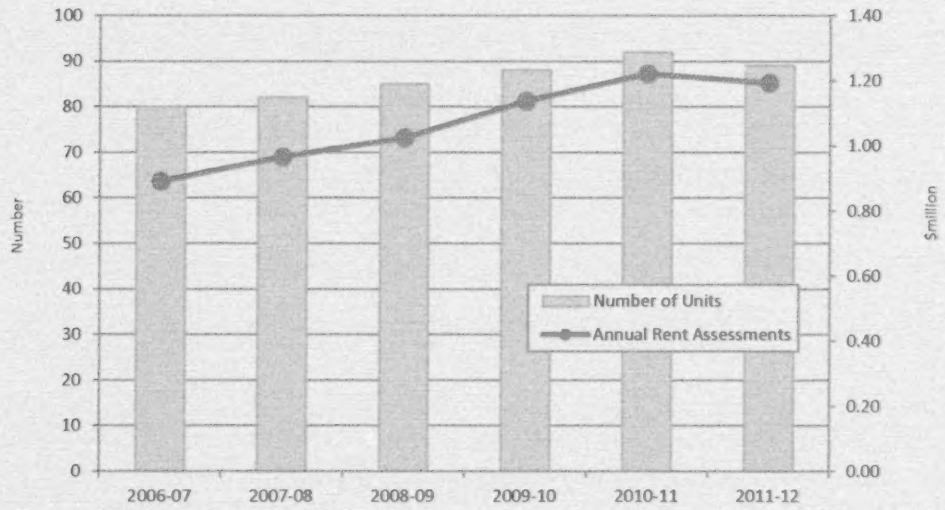
Overall, the number of HELP units has been on the increase over the past several years with a total of 192 HELP units and about $923,000 rent assessed during 2011-12.

HELP and Related Rental Clients and Rent Assessments
2006-07 to 2011-12



The NWTHC operates a number of market rental units in communities through the Northwest Territories. Rent assessments on these units totaled $1.19 million in 2011-12.

Market Housing Units and Rent Assessments
2006-07 to 2011-12



Initiatives

One of the strategic priorities of *Building for the Future* was to improve homeownership supports. Initial actions undertaken in 2012-13 including the introduction of SAFE, the new emergency repair program, and changes to CARE the primary homeownership repair program.

For 2013-14, major modifications will be introduced to the approach to supporting homeownership including to the PATH (Providing Assistance for Territorial Homeownership) program. The new approach to homeownership supports is more reflective of lack of market and limited economic opportunities of non-market communities. The zone approach (same as the public housing rent scale) will be used and will provide a level of subsidy to roughly equalize shelter costs for dwellings of a similar age and quality in all non-market communities.

Changes are also planned to expand eligibility for homeownership programs to provide support residents with modest incomes that have a high chance of being successful homeowners. The revised homeownership program will contain buy-back provisions for non-market communities to reduce risk to homeowners. A different approach will be used for PATH in market communities to focus on first time homeowners.

To support the priorities of the 17th Legislative Assembly, the Public Housing Purchase Program will be introduced in 2013-14. The Public Housing Purchase Program will target long-term tenants of public housing that have no arrears and adequate income to maintain a homeownership unit. For this new program, eligible clients would be eligible for up to $25,000 on top of PATH assistance to purchase a public housing unit. The NWTHC will be proactive in targeting tenants that would likely be eligible for this program.

Programs and District Operations will continue to play a central role in the delivery of the NWTHC capital plan. For 2013-14, at a minimum the capital plan will include over $14.5 million in new construction and major retrofits involving 175 units and about $7.7 million in homeownership repair, preventative maintenance, and emergency repair projects.

As noted, a number of initiatives were introduced in 2012-13 and the roll-out of these initiatives will continue into 2013-14. The new NWT Housing Appeals Committee has been started and it is expected that continued attention will be needed as this new Committee starts its operations. The new Territorial Rent Supplement Program has been launched and intake is being phased in starting September 2012 so will carry on into 2013-14. SAFE, the new emergency repair program, and changes to CARE are being introduced in 2012-13 and monitoring and evaluation of the impact of these changes will continue into 2013-14.

As noted, in 2012-13 annual meetings between District Offices and LHOs are being introduced on top of on-going communication between the LHOs and the NWTHC. This annual meeting will provide the opportunity to review past operations and results, to assess current year operations, and to work towards continued improvement in the delivery of housing services. The NWTHC will also continue to play an active role in the annual meetings of LHO Managers, which provide a good opportunity to work collectively on the issues facing LHOs.

Work will continue to be advanced in 2013-14 on the broad examination of delivery of housing services at a community level. By 2013-14, detailed planning related to roles and responsibilities will be completed and options for changes will be available for consideration. It is expected that the LHOs will play a critical role in this review.

KEY ACTIVITY 4 – LOCAL HOUSING ORGANIZATIONS

Description

Local Housing Organizations (LHO) - LHOs, operating as agents of the NWTHC, are responsible for the administration of social housing rental units in the majority of the communities across the NWT. This includes public housing units developed under the Social Housing Agreement between NWTHC and Canada Mortgage and Housing Corporation (CMHC). The Public Housing Program is a rental program designed for individuals and families who do not have the financial resources to access shelter on their own. The NWTHC, in partnership with 23 LHOs, administers approximately 2,400 social housing units in 29 communities across the NWT. LHOs provide, under agreement with the NWTHC, property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services. Each local housing organization has an advisory board which oversees LHO operations. The NWTHC's district offices are responsible for these operations in communities without an LHO.

Performance Measures

Measure 1 – Effective Overall Management of LHO Operations

The NWTHC funds LHOs for administering public housing in each community. LHOs are funded based on actuals for utilities and lease arrangements related to the public housing programs. In the case of administration and maintenance and repairs, the LHOs are funded based on the target of collecting 90% of assessed rent. If the LHO exceeds 90% rent collection, they are able to use the excess for other housing priorities within their community. If 90% rent collection is not achieved or the administration and maintenance and repair expenditures are over budget, the LHO is likely to run a deficit.

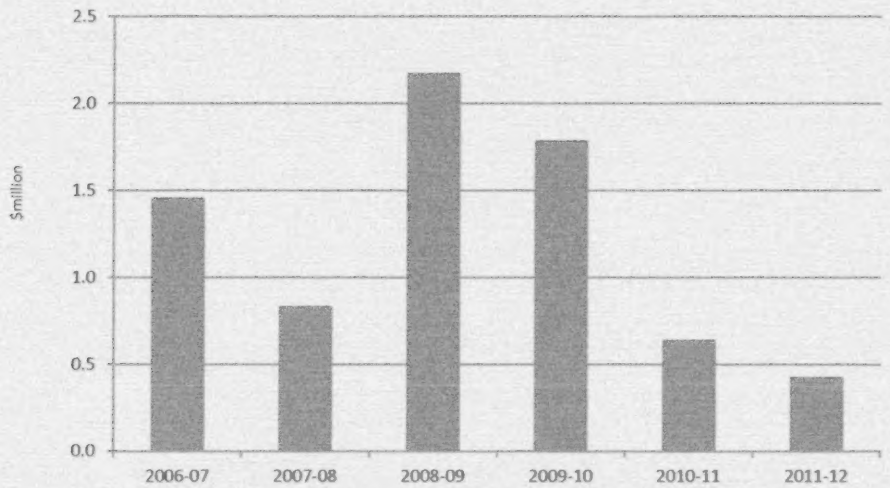
As noted below, there were 7 out of the 23 LHOs that had an operating deficit in 2011-12. This value shows an improvement and represents the fewest LHOs with operating deficits over the past six years.

Local Housing Organizations with Operating Deficits
2006-07 to 2011-12

	Number
2006-07	11
2007-08	10
2008-09	12
2009-10	12
2010-11	10
2011-12	7

For most LHOs deficits are closely correlated with rent collection. Overall rent collection arrears dropped to $423,000 in 2011-12 which is a significant decline from the high of $2.2 million in 2008-09. The results for 2011-12 represent the third straight year of decline in arrears for public housing.

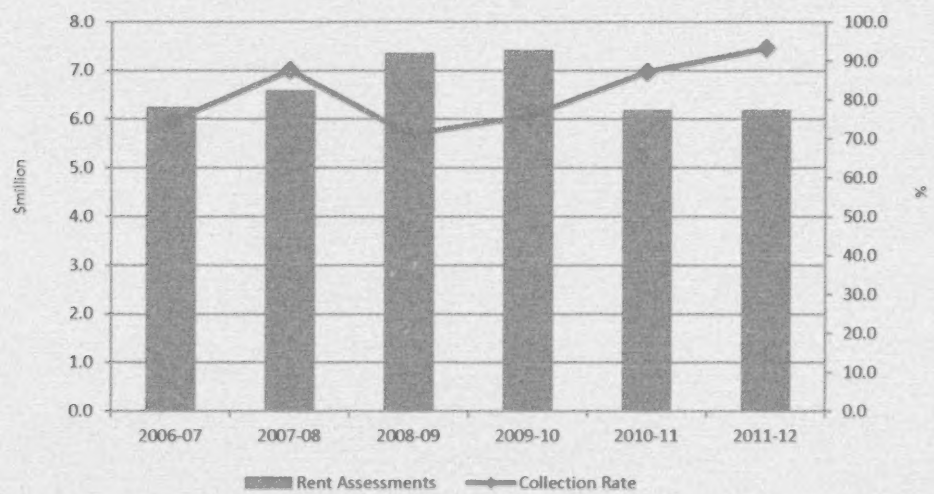
Public Housing Rent Collection Arrears
2006-07 to 2011-12



Measure 2 – Managing Tenant Relations

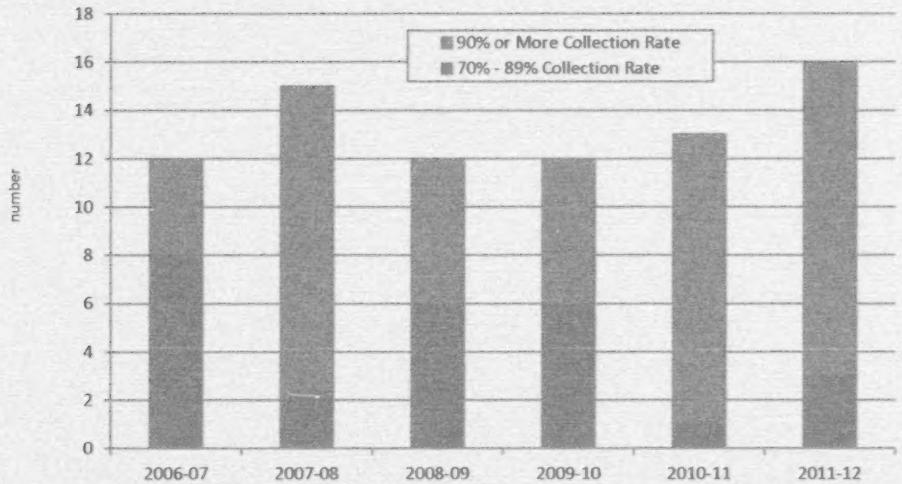
A critical responsibility of the 23 Local Housing Organizations is to complete timely rent assessments and consistently collect rent in the 2,400 public housing units. Some caution is required in interpreting indicators on rent assessment and collection, as any revisions for previous year's assessments (for example if a tenant provides new information) or collections on previous arrears are recorded in the year where the revision takes place. As a result, collection rates can be above 100% in cases where arrears from previous years are being paid off.

Public Housing Rent Assessments and Collection Rate
2006-07 to 2011-12



Collection rates have varied considerably in the past six years with a low of 71% in 2008-09. In 2011-12 the collection rate was 93.1%, which is the third straight increase. Rent assessments were $6.2 million in 2011-12.

Local Housing Organizations Collecting 70% or More of Assessed Rent
2006-07 to 2011-12

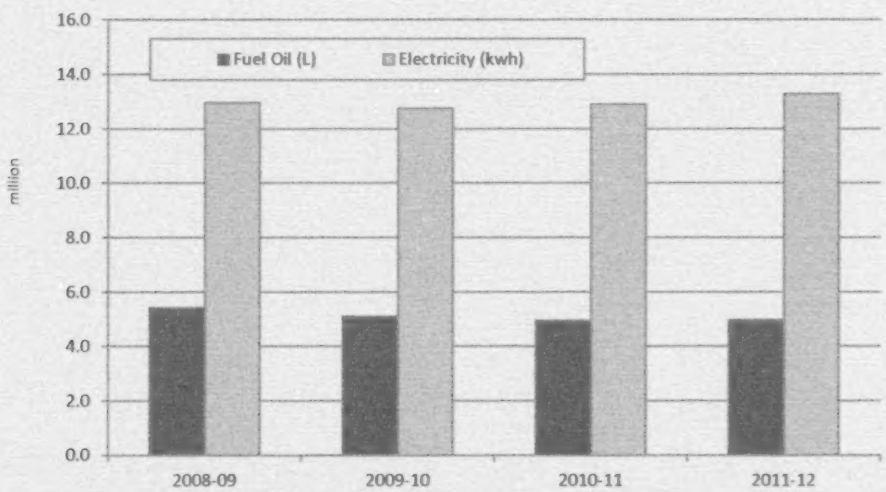


The overall improved collection rate is reflected in the performance at a LHO level. In 2011-12, 16 of the 23 LHOs collect 70% or more of assessed rent. A total of 13 LHOs collected at least 90% of assessed rent in 2011-12. The 90% of assessed rent is a critical value as this is needed for the LHO not to run the risk of having an operating deficit.

Measure 2 – Operating Public Housing Units

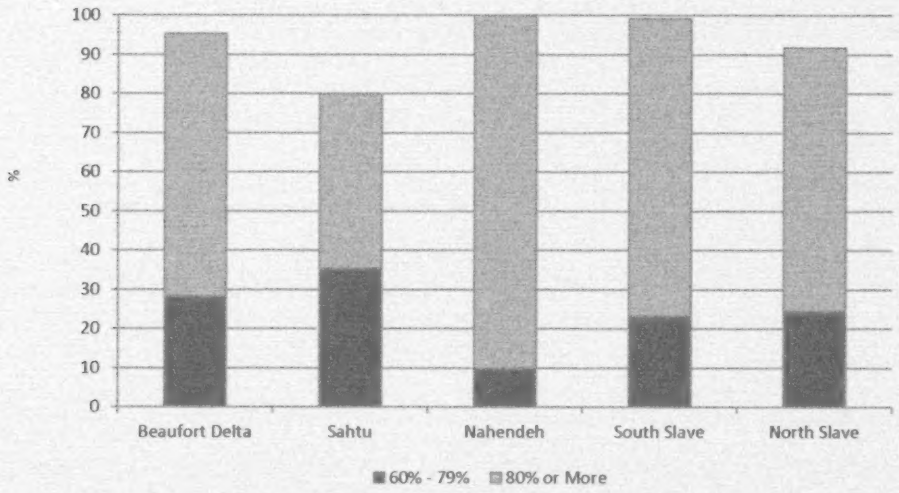
Although less time series data is available, recent investments in energy efficiency and modernizing the public housing stock appears to have paid off. Overall the liters of heating fuel for public housing units declined by 8.1% between 2008-09 and 2011-12.

Utility Consumption in Public Housing Units
2008-09 to 2011-12



There has been a slight increase in electricity use in public housing units over the four year period, although significant caution needs to be used in terms of interpreting these results as a number of factors could contribute to changes in consumption patterns.

Public Housing Condition Rating, by District
2010-11



Overall, 94% of public housing units had a condition rating of 60% or more in 2011-12, with 68% being above 80%. Significant work has been undertaken to ensure a consistent approach is used in determining condition ratings for future years. The improved training, tracking and evaluation of the condition ratings will strengthen this information as a management and monitoring tool.

Initiatives

As noted in in other key activities, there are a number of additional activities that are being undertaken to strengthen the support provided to LHOs. Improved engagement with LHOs on performance and improved planning at a community level, strengthening support for LHO operations including training and information sharing, and enhancing systems like the introduction of the Territorial Housing System and replacing the maintenance management system will help to improve efficiency and management of LHOs.

A major change in the public housing program introduced in 2012-13 was the introduction of the new public housing rent scale. This change was done on a similar time frame as the introduction of the Territorial Housing System. This system resulted in major changes in the management and administration activities of the LHOs by moving to a primarily electronic operating environment for client management. LHOs received significant training on the new system and the new rent scales. An effort was made in all LHOs to meet with every client to explain the new rent scale and the implications for their household.

Continuing to improve the quality of the public housing stock is an on-going objective of the NWTHC. The annual condition rating process has been strengthened and this measure provides on indicator of quality. As noted in the measures, 94% of the public housing stock has a condition rating above 60% and 68% of the stock have a condition rating above 80%.

The GNWT has identified $10 million in additional targeted housing investment for 2014-15 and 2015-16. The NWT Housing Corporation plans to use this incremental investment to target public housing stock with the greatest quality issues. This will result in a greater portion of this targeted investment going to areas like the Sahtu and the Tlicho communities. This incremental investment will build on the typical capital plan. The normal capital plan allocates investment on factors like the age of units, scheduled retrofits, population dynamics, and results from the most recent needs survey.

Investments are also included in this business plan to offset the impact of the forced growth from utility price increases and from the declining CMHC funding. As noted earlier, a key strategic priority from *Building for the Future* is to address the issues of declining CMHC funding. Work is continuing with federal, provincial and territorial partners on a longer term solution related to the sustainability of public housing.

2. RESPONDING TO PRIORITIES

Priority 3 – Address Housing Needs

The 17th Legislative Assembly identified the following priority:

> **Address housing needs** by completing and implementing the Shelter Policy Review including fair and sustainable public housing rent scales, selling our public housing stock where this makes sense, and putting higher density housing units in small communities.

The NWTHC will play a central role in this priority. *Building for the Future*, is the strategic plan for housing that resulted from the Shelter Policy Review. The strategic priorities and actions outlined in this framework contain critical elements for advancing this priority of the 17th Legislative Assembly. The following table outlines key activities undertaken to date in the 17th Legislative Assembly.

Strategic Priorities in Support of Overall Priority	Actions to Date
1. Strengthening Public Housing	• Developed and implemented new public housing rent scale • Targeted strategic investment of $10 million to improve quality of public housing stock • Investment of $26.3million in replacement and retrofits for public housing units in 2011-12 with $23.9 million planned in 2012-13 and 2013-14.
2. Improving Homeownership Supports	• Introduction of SAFE, a new emergency repair program • Changes to the CARE Preventative Maintenance program to increase limit to $3,000 and make more accessible • Changes to subsidy approach in PATH to improve affordability of homeownership • Changes to eligibility criteria for PATH to expand the potential client pool • Changes to approach to homeownership designs and the role of clients in the home they purchase • Introduction of Public Housing Purchase Program to support successful public housing clients to purchase their unit • Delivered $12.3 million in homeownership repair programs in 2011-12 to 309 homeowners, with $15.1 million in repairs expected in 2012-13 and 2013-14
3. Increasing Housing Options in Non-Market Communities	• Planning completed to expand the NWTHC market rental portfolio in order to provide rental opportunities for staff that deliver critical services

Strategic Priorities in Support of Overall Priority	Actions to Date
	• Modification of the Housing for Staff program and targeting community partnerships to expand housing options in non-market communities
4. Improving Housing Services	• Undertaking review of roles and responsibilities of LHOs and developing options to improve service delivery at a community level. • Strengthened communication on housing programs and services • Completing a pilot project to provide opportunities for residents to reduce arrears while supporting community or other shelter needs.
5. Strengthening the Approach to Homelessness and Transition Housing	• Added a Homelessness Coordinator position to help with overall GNWT coordination, work with smaller NWT communities, and administer the Homelessness Assistance Fund and Small Community Homelessness Fund. • Committed to GNWT contribution towards the Betty House Transition House for Women and Children
6. Addressing Housing Challenges for the Working Poor	• Introduced the new Transitional Rent Supplement program to help address affordability problems for those that reside in market rentals
7. Developing Infrastructure Solutions Based on Individual and Community Needs	• Focused on multi-family construction with 98% of new public housing units being multi-family configuration during the 17th Assembly. • Expanding supported living facilities in smaller NWT communities by constructing four new facilities • Undertaking a project to provide residents with greater input into homeownership designs • Increased client involvement in homeownership options • Strengthening the working relationship with communities to ensure land availability for housing development
8. Addressing the Declining Federal Funding	• Chairing the FPT Housing Forum with a focus on sustainability of social housing within Canada • Increased GNWT contribution to offset declines in federal funding to operate public housing • Developed overall strategic approach related to the declining federal funding.

3. Resource Summary

Departmental Summary

	Proposed Main Estimates 2013-14	Revised Estimates 2012-13	Main Estimates 2012-13	Actuals 2011-12
	($000)	($000)	($000)	($000)
OPERATIONS EXPENSES				
Executive	1,194	1,194	1,194	1,690
Programs and District Operations	31,419	33,820	34,174	34,011
Finance and Infrastructure Services	19,425	20,699	20,595	21,514
Local Housing Organization	44,434	43,904	43,904	44,148
TOTAL OPERATIONS EXPENSE	**96,472**	**99,617**	**99,867**	**101,363**
CAPITAL INFRASTRUCTURE	14,524	22,375	13,342	16,669
TOTAL OPERATIONS & CAPITAL	**110,996**	**121,992**	**113,209**	**118,032**
REVENUES	**110,996**	**121,992**	**113,209**	**116,908**
SURPLUS/(DEFICIT)	-	-	-	**(1,124)**

Human Resource Summary

	Proposed 2013-14	2012-13	2011-12	2010-11
Total Number of Employees	117	117	123	117

Appendix I – Financial Information

Operations Expense Summary

	Main Estimates 2012-13	Proposed Adjustments: Forced Growth	Proposed Adjustments: New Initiatives	Proposed Adjustments: Sunsets and Other Adjustments	Proposed Adjustments: Internal Reallocations	Proposed Budget 2013-14
	($000)	($000)	($000)	($000)	($000)	($000)
Executive						
President's Office	544	-	-	-	-	544
Strategic Planning, Policy and Communications	650	-	-	-	-	650
Total Executive	1,194	-	-	-	-	1,194
Programs & District Operations						
Vice-President's Office	386	-	-	-	-	386
Program Development and Implementation	803	-	-	-	-	803
North Slave	8,560	-	-	(42)	(1,087)	7,431
South Slave	6,416	-	-	(183)	(203)	6,030
Nahendeh	3,949	-	-	(215)	(63)	3,671
Sahtu	5,743	-	-	(243)	(603)	4,897
Beaufort Delta	8,317	-	-	(175)	59	8,201
Total Programs & District Operations	34,174	-	-	(858)	(1,897)	31,419
Finance & Infrastructure Services						
Vice-President's Office	291	-	-	-	-	291
Finance & Administration	16,559	-	-	-	(1,196)	15,363
Infrastructure Services	2,288	-	-	34	-	2,322
Financial Planning	353	-	-	-	-	353
Information Services	1,104	-	-	(58)	50	1,096
Total Finance & Infrastructure Services	20,595	-	-	(24)	(1,146)	19,425
Total Local Housing Organizations	43,904	530	-	-	-	44,434
Total Operations Expense	99,867	530	-	(882)	(3,043)	96,472
Total Capital Infrastructure	13,342	-	-	(100)	1,282	14,524
TOTAL CORPORATION	113,209	530	-	(982)	(1,761)	110,996

Explanation of Proposed Adjustments to Operations Expense

Activity / Task	Explanation of Proposed Adjustment	FG Collective Bargaining NA	Forced Growth	New Initiatives	Sunsets and Other Approved Adjustments	Internal Reallocation of Resources
PROGRAMS AND DISTRICT OPERATIONS						
District Operations						
- Comp. and Benefits	Transfer to Financial Shared Services	-	-	-	(43)	-
- Grants and Contr.	Sunset PH Energy Upgrades	-	-	-	(600)	-
	Declining M&I funds from CMHC	-	-	-	-	(24)
	Reduced revenue from Sale of Units and Lease revenue	-	-	-	-	(541)
	Transfer to Major Capital and IT	-	-	-	-	(1,332)
- Other O&M	Transfer to Financial Shared Serrvices	-	-	-	(3)	-
- Amortization	Internal Adjustment	-	-	-	(212)	-
Total District Operations		-	-	-	(858)	(1,897)
TOTAL PROGRAMS AND DISTRICT OPERATIONS		-	-	-	**(858)**	**(1,897)**
FINANCE AND INFRASTRUCTURE SERVICES						
Finance and Administration						
- Grants and Contr.	Increased Market Housing Expenditures	-	-	-	-	180
	Reduced HELP Expenditures	-	-	-	-	(105)
- Other O&M	Declining CMHC Debt	-	-	-	-	(1,271)
Total Finance and Administration		-	-	-	-	**(1,196)**
Infrastructure Services						
- Amortization	Internal Adjustment	-	-	-	34	-
Total Infrastructure Services		-	-	-	**34**	-
Information Services						
- Comp. and Benefits	Sunset IT Tools and Supports	-	-	-	(53)	-
- Other O&M	Sunset IT Tools and Supports	-	-	-	(5)	-
	Computer Expenditures from Capital	-	-	-	-	50
Total Information Services		-	-	-	**(58)**	**50**
TOTAL FINANCE AND INFRASTRUCTURE SERVICES		-	-	-	**(24)**	**(1,146)**
LOCAL HOUSING ORGANIZATIONS						
- Grants and Contr.	Heating Fuel forced growth	-	309	-	-	-
	Water & Sanitation forced growth	-	65	-	-	-
	Property Taxes and Land Lease forced growth	-	156	-	-	-
TOTAL LOCAL HOUSING ORGANIZATIONS		-	**530**	-	-	-
CAPITAL INFRASTRUCTURE						
	Sunset PH Energy Upgrades	-	-	-	(100)	-
	Transfer from Minor Capital	-	-	-	-	1,282
TOTAL CAPITAL INFRASTRUCTURE		-	-	-	**(100)**	**1,282**
TOTAL PROPOSED ADJUSTMENTS		-	**530**	-	**(982)**	**(1,761)**

Major Revenue Changes: 2012-13 Main Estimates to 2013-14 Business Plan

	Proposed Main Estimates 2013-14	Main Estimates 2012-13
CANADA MORTGAGE & HOUSING CORPORATION (CMHC)		
CMHC AHI & Renovation Programs	1,840	1,840
CMHC Recoveries Capital	1,474	1,494
CMHC Recoveries Unilateral Programs	3,918	3,918
CMHC Recoveries O&M Programs	10,040	11,050
CMHC Recoveries Debt Repayment	5,173	6,448
TOTAL	**22,445**	**24,750**
OTHER RECOVERIES		
Sale of Housing Packages & Other Recoveries	1,800	2,200
Public Housing Tenant Revenue	4,236	4,236
Other Revenue	1,200	1,075
Lease Revenue	2,693	2,884
Non-cash Item Amortization	12,428	12,606
TOTAL	**22,357**	**23,001**
GNWT CONTRIBUTION	**66,194**	**65,458**
TOTAL REVENUES	**110,996**	**113,209**

Explanation of Proposed Adjustments to Revenues

Activity / Task	Explanation of Proposed Adjustment	Forced Growth	New Initiatives	Sunsets and Other Approved Adjustments	Internal Reallocation of Resources
CANADA MORTGAGE AND HOUSING CORPORATION					
Capital Recoveries	Declining M&I funds from CMHC	-	-	-	(20)
O&M Programs	Declining funds from CMHC	(1,010)	-	-	-
Debt Repayment	Loans paid out during the year	-	-	-	(1,275)
TOTAL		**(1,010)**	-	-	**(1,295)**
OTHER RECOVERIES					
Sale of Housing Packages & Other Recoveries	Projected reduction in sales	-	-	-	(400)
Other Revenue	Increase in Investment Income	-	-	-	125
Lease Revenue	Reduced Client Income Assessments	-	-	-	(191)
Non-cash Item Amortization	Internal adjustment	-	-	(178)	-
TOTAL		-	-	**(178)**	**(466)**
GNWT CONTRIBUTION					
	Sunset PH Energy Upgrades	-	-	(700)	-
	Sunset IT Tools and Supports	-	-	(58)	-
	Transfer to Financial Shared Services	-	-	(46)	-
	Heating Fuel forced growth	309	-	-	-
	Water & Sanitation forced growth	65	-	-	-
	Property Taxes and Land Lease forced growth	156	-	-	-
	Declining funds from CMHC	1,010	-	-	-
TOTAL		**1,540**	-	**(804)**	-
TOTAL PROPOSED ADJUSTMENTS		**530**	-	**(982)**	**(1,761)**

Proposed Adjustments to Grants and Contributions: 2012-13 Main Estimates to 2013-14 Business Plan

Activity / Task	Explanation of Proposed Adjustment	Forced Growth	New Initiatives	Sunsets and Other Approved Adjustments	Internal Reallocation of Resources
PROGRAMS AND DISTRICT OPERATIONS					
Rental Programs	Sunset PH Energy Upgrades	-	-	(600)	-
	Declining M&I funds from CMHC	-	-	-	(24)
	Reduced revenue from Sale of Units and Lease revenue	-	-	-	(541)
	Transfer to Major Capital	-	-	-	(21)
Homeownership Programs	Transfer to Major Capital and IT	-	-	-	(1,311)
TOTAL		-	-	**(600)**	**(1,897)**
FINANCE AND INFRASTRUCTURE SERVICES					
Market Housing	Increased O&M	-	-	-	180
HELP	Decreased O&M	-	-	-	(105)
TOTAL		-	-	-	75
LOCAL HOUSING ORGANIZATIONS					
Heating Fuel	Increased Rates	309	-	-	-
Water and Sanitation	Increased Rates	65	-	-	-
Property Taxes and Land Leases	Increased Assessments	156	-	-	-
TOTAL		**530**	-	-	-
TOTAL PROPOSED ADJUSTMENTS		**530**	-	**(600)**	**(1,822)**

Appendix II – Human Resources Reconciliation

Position Changes: 2012-13 Main Estimates to 2013-14 Business Plan

	2012-13 Main Estimates		Change		2013-14 Business Plan	
	NWTHC	LHO	NWTHC	LHO	NWTHC	LHO
Total	117	130	-	-	117	130
Yellowknife HQ	62	-	-	-	62	-
North Slave	12	29	-	-	12	29
South Slave	13	26	-	-	13	26
Nahendeh	8	9	-	-	8	9
Sahtu	9	21	-	-	9	21
Beaufort-Delta	13	45	-	-	13	45

Appendix III – Infrastructure Investments

The development of the Capital Delivery Plan for the NWTHC consists of discussions with clients and community leaders, client intake applications, a review and analysis of the most recent Community Survey, condition ratings of the NWTHC's assets (public housing, market rentals, offices, and warehouses), community population estimates and projections, and the long-term housing needs assessment.

As described previously the infrastructure program of the NWTHC includes investments in major capital and minor capital programs.

Major & Minor Capital Spending ($million)
2006-07 to 2012-13

	Total
2006-07	38.8
2007-08	44.7
2008-09	25.6
2009-10	48.4
2010-11	46.5
2011-12	29.3
2012-13*	35.1

* Forecast

For 2013-14, infrastructure investments are expected to total $24.8 million, including $14.5 million in major capital expenditures and $10.3 million in minor capital. This value does not include any carryovers or deferred projects.

With respect to major capital investment, as described in the 2013-14 Capital Estimates the proposed capital acquisition plan allocates $6.3 million for new housing and $7.8 million for major modernization and improvement of public housing.

Planned Major Capital Projects, by Type
2013-14

	New Home-ownership	Public Housing Replacement	Public Housing Retrofit
Total	6	9	118
Beaufort-Delta	1	1	39
Sahtu	0	0	19
Nahendeh	3	0	7
South Slave	0	0	21
North Slave	2	8	32